



U.S. Department of Justice
United States Attorney
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NEWS RELEASE

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FOR IMMEDIATE RELEASE

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GRAND JURY RETURNS INDICTMENTS

KANSAS CITY, Kan. – United States Attorney Eric Melgren announced that four individuals were indicted on Wednesday, July 23, 2003, by a federal grand jury in Kansas City, Kansas. Those indicted include:

- ! **Hyman L. Jarrett, Sr.**, 64, Kansas City, Kansas, is charged with six counts of collecting approximately \$730,917.34 in federal income taxes, Social Security, and Medicare taxes from his employees while the owner of HLJ Management Group, Inc., and then the operator of MCM Management, Inc., both corporations located in Kansas City, Kansas, from July 1997 through July 2000 and willfully failing to pay these taxes to the IRS; and one count of willfully attempting to evade the payment of approximately \$296,325.02 in federal income, Social Security, and Medicare taxes on December 19, 1997, that were due and owing by HLJ Management Group, Inc., to the IRS by transferring the assets of HLJ Management Group, Inc., to MCM Management, Inc., when he knew the IRS was attempting to collect the unpaid taxes.

If convicted, Jarrett faces a maximum of five years in federal prison, without parole, on each count. The case was investigated by the Internal Revenue Service Criminal Investigation and is being prosecuted by Assistant U.S. Attorney Leon Patton.

- ! **Stephen Downing**, 25, Overland Park, Kansas, while employed as a financial services representative at the Commerce Bank, is charged with nine counts of embezzling approximately \$15,706.00 from the Commerce Bank, located at the Hen House Grocery Store, 11200 Antioch, Overland Park, Kansas, from August 2002 through March 2003 by creating checks on customers' accounts, cashing the checks, and depositing the funds into his account.

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If convicted, Downing faces a maximum of thirty years in federal prison without parole. The case was investigated by the FBI and is being prosecuted by Assistant U.S. Attorney Scott Rask.

- ! **Scott A. Hase**, 32, Newton, Kansas, is charged with one count of receiving and distributing child pornography and allowing others to access and download this child pornography from his computer over the internet from an unknown time until March 2003 and one count of possessing child pornography from an unknown time until April 2003, in Harvey County, Kansas.

If convicted, Hase faces a maximum of fifteen years in federal prison, without parole, for receiving and distributing child pornography and a maximum of five years for possessing child pornography. The case was investigated by the U.S. Secret Service and is being prosecuted by Assistant U.S. Attorney Alan Metzger.

- ! **Lester Ray Nichols**, 62, Flower Mound, Texas, currently in custody, is charged with one count of traveling in interstate commerce from Texas to Wichita, Kansas, on July 15, 2003, to engage in sexual activity with a girl, whom he believed to be thirteen years old, and one count of forfeiture of a 2001 Jeep Wrangler used to promote the commission of this crime.

If convicted, Nichols faces a maximum of fifteen years in federal prison without parole. The case was investigated by the FBI and is being prosecuted by Assistant U.S. Attorney Alan Metzger.

As in any criminal case, a person is presumed innocent until and unless proven guilty. The Indictments filed merely contain allegations of criminal conduct.